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Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations: financing of the United Nations peacekeeping operations

Financing of the United Nations Logistics Base at Brindisi

Report of the Secretary-General

Summary

This report presents the budget of the United Nations Logistics Base at Brindisi, Italy, for the 12-month period from 1 July 1998 to 30 June 1999. The total budget amounts to $7,141,800 and provides for the maintenance of the Base ($6,311,900) as well as non-recurrent requirements for equipment to complete two start-up kits ($829,900).

The budget for this 12-month period represents a decrease of $2,602,700 compared with the operating cost estimates for the prior 12 months, from 1 July 1997 to 30 June 1998 of $9,744,500. The budget provides for a civilian establishment of 20 international staff (10 Professional and 10 Field Service) and 28 locally recruited staff. The estimates also provide for general temporary assistance, alterations and maintenance of premises, transport operations, communications, other equipment and spare parts, contractual services, miscellaneous supplies and freight.

The estimated cost of $829,900 for the start-up kits covers the purchase of vehicles, observation equipment and miscellaneous supplies.

The present report also takes into account the views of the Advisory Committee on Administrative and Budgetary Questions set out in its report (A/52/407) and includes a progress report on the backlog clearance project and the cost-benefit analysis requested by the General Assembly in its resolution 52/1 of 15 October 1997.

The actions to be taken by the General Assembly are set out in paragraph 34 of the report.

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Contents

		Paragraphs	Page
I.	Introduction	1–18	3
II.	Mission statement	19	6
III.	Policies for the transfer of used assets and the retention of assets	20	6
IV.	Cost estimates for the period from 1 July 1998 to 30 June 1999	21–24	6
V.	Staffing requirements	25–26	6
VI.	Information provided pursuant to General Assembly resolution 52/1	27–32	7
VII.	Proposal on financing arrangements	33	8
VIII.	Action to be taken by the General Assembly at its fifty-second session	34	8
Annexes			
I.	Cost estimates for the period from 1 July 1998 to 30 June 1999		9
II.	Cost estimates for the period from 1 July 1998 to 30 June 1999: supplementary information		13
	A. Mission-specific costs and ratios		13
	B. Supplementary explanation		16
	C. Requirements for non-recurrent costs		20
III.	Organizational chart		22
IV.	Current and proposed staffing tables		23
V.	Job description		25
VI.	Requirements for general temporary assistance for the period from 1 July 1998 to 30 June 1999		26
VII.	Cost-benefit analysis		28
VIII.	Use of the United Nations Logistics Base by other United Nations agencies and programmes		40
IX.	Role of the United Nations Logistics Base within the United Nations logistics support strategy		41
X.	Clearance of the backlog inventory		46
XI.	Information on the level of staffing		47
XII.	The communications relay system		48

I. Introduction

1. There has always been a need for a central storage facility for the assets of the Organization – and therefore, since the 1950s, there has been one – first at Naples; then at Pisa, from 1958 to 1994; and now at Brindisi. From the outset, the Government of Italy has been a consistently generous host and provided rent-free premises.

2. A number of factors determined the move to Brindisi. In 1993, the United Nations Protection Force (UNPROFOR) identified a need for a rear logistics base in Italy to supplement its then increasingly overloaded warehouses at Split in Croatia. At the same time, it became apparent that the storage capacity of the United Nations Supply Depot at Pisa – some 3,200 square metres – was inadequate to cope with the volume of United Nations peacekeeping assets and their related movement requirements in view of the unprecedented increase in the number, scope and size of peacekeeping operations that were carried out between 1990 and 1994.

3. In conjunction with its review of the report of the Secretary-General of 25 May 1994 (A/48/945), the Advisory Committee on Administrative and Budgetary Questions was informed of arrangements being made for the establishment of a base at Brindisi in support of UNPROFOR and for the storage of start-up kits. In paragraph 102 of its related report of 18 November 1994 (A/49/664), the Advisory Committee observed that a number of issues such as the financial and personnel arrangements, cost parameters, legislative justification, issues of ownership of stocked equipment, accounting procedures, and alternatives for start-up kits remain to be resolved. The Committee recommended that a detailed report on the issue, including all aspects of the proposed use of the Brindisi base as a storage and maintenance facility for start-up kits, be submitted for consideration before the end of the forty-ninth session of the General Assembly.

4. On 23 November 1994, a memorandum of understanding between the Government of Italy and the United Nations was signed, which made available to the Organization some 24,226 square metres of office, warehousing and workshop space, along with considerable open storage space for vehicles, containers and other large equipment.

5. Following its review of the reports of the Secretary-General and the Advisory Committee referred to above, the General Assembly, in section XIV of its resolution 49/233A of 23 December 1994, welcomed the establishment at Brindisi, Italy, of the first permanent United Nations logistics base to support peacekeeping operations, the premises of which had been put at the disposal of the Organization at no cost. Three aspects of that resolution are noteworthy, namely, the recognition of Brindisi as the United Nations permanent logistics base; the broader role of Brindisi as a logistics base with peacekeeping support functions for other missions, whereas Pisa was a United Nations supply depot whose singular function was dead storage; and the fact that the Brindisi premises were put at the disposal of the United Nations at no cost, but the Organization remained responsible for other costs of operating the Logistics Base. With regard to this third aspect, it should be noted that the United Nations financial obligations for Pisa were similar. The key difference is that, whereas for historical reasons, Pisa had been funded from the regular budget, in view of the increased physical size, nature, scope and scale of equipment to be stored, and the objectives and activities to be carried out, the Secretary-General concluded and has proposed from the outset that Brindisi be funded from the peacekeeping budgets.

6. The United Nations has only one logistics base – at Brindisi, Italy. It is a field entity in its own right and it supports the Organization's peacekeeping operations. In the interests of transparency and accountability, it merits a separate budget and financing in the manner

proposed by the Secretary-General, namely, prorating of its cost among the individual peacekeeping budgets.

7. While the financing arrangements for Brindisi and the percentage of the cost to be charged against each mission budget are therefore similar to that in place for funding the support account for peacekeeping operations, there is no linkage between the Brindisi budget and the support account budget. One finances the cost of a field base and the other finances the cost of peacekeeping backstopping activities at Headquarters. The two are not interchangeable.

8. Since the adoption of resolution 49/233A, the Secretary-General has submitted a number of reports on the financing of the United Nations Logistics Base at Brindisi.

9. In his report of 3 July 1995 (A/49/936), the Secretary-General provided information on the start-up kits concept and described the ad hoc arrangements made for the initial funding of the activities of the Base from November 1994 to the end of 1995.

10. In his report of 1 April 1996 (A/50/907), the Secretary-General reported on expenditures totalling $3.2 million, incurred on the Base for the period from 23 November 1994 to 31 December 1995, which had been funded primarily from the United Nations Peace Forces (UNPF) budget and from the budgets of various other peacekeeping operations (the United Nations Operation in Somalia (UNOSOM), the United Nations Operation in Mozambique (ONUMOZ) and the United Nations Verification Mission in Angola (UNAVEM)). In the same report, the Secretary-General submitted cost estimates for the Base totalling $4,078,500 gross ($3,828,600 net) for the six-month period from 1 January to 30 June 1996, indicating that those costs would be financed according to the same ad hoc arrangements as for 1995, and that the actual expenditures would be included in the performance reports of each mission. The Secretary-General further submitted cost estimates for the Base totalling $7,875,000 gross ($7,375,200 net) for the 12-month period from 1 July 1996 to 30 June 1997, corresponding to the new 12-month budget and financial year established by the General Assembly for peacekeeping operations. In this connection, the Secretary-General also submitted proposals on long-term financing arrangements for the Base which entailed prorating its cost among active peacekeeping operations, based on the percentage relationship of each mission's budget to the overall total for all operations.

11. In its related report of 26 June 1996 (A/50/985), the Advisory Committee recommended that the General Assembly take note of the ad hoc arrangements for the financing of the Base from 23 November 1994 to 30 June 1996 and approve the Secretary-General's cost estimates for the period from 1 July 1996 to 30 June 1997, to be prorated among the individual peacekeeping operation budgets. The Committee also recommended that such additional appropriation for this purpose as might be required should be justified by the Secretary-General in the context of the performance reports of the relevant peacekeeping operations.

12. The General Assembly, by its decision 50/500 of 17 September 1996, deferred consideration of the above-mentioned reports to its fifty-first session, pending submission of follow-up information requested by the Advisory Committee in its report (A/50/985), including a cost-benefit analysis for the Base.

13. In his performance reports on each of the peacekeeping operations for the period ending 30 June 1996, the Secretary-General had provided information on the ad hoc charges applied to each of those missions' budgets for the cost of the Base up to that time. The General Assembly considered those performance reports during the second part of its resumed fifty-first session in May/June 1997.

14. In his report dated 21 May 1997 (A/51/905), the Secretary-General submitted cost estimates for the Base for the period from 1 July 1997 to 30 June 1998 totalling $14,503,900 gross ($13,952,000 net), to be prorated among the individual peacekeeping operation budgets. This estimate comprised a proposed maintenance budget of $10,220,700 gross ($9,744,500 net) and a one-time backlog clearance cost of $4,283,200 gross ($4,207,500 net). The cost estimate took account of a revised and more modest mission concept for the Base, including maintenance of two mission start-up kits rather than the five originally envisaged. It proposed a revised core staffing establishment which took into account more recent actual operational experience and requirements. It submitted proposals on resourcing policy regarding the inclusion in future liquidation budgets of provision for the cost of repair, refurbishment and preservation equal to 30 per cent of the total depreciated value of the equipment to be transferred to the Base. It submitted policy proposals that would in future ensure that items transferred to Brindisi should have at least two years' useful life remaining and be either serviceable or repairable at not more than 30 per cent depreciated value. It provided information on the satellite communication facility at Brindisi, which responded to a recommendation of the Office of Internal Oversight Services.

15. By section VIII of its resolution 51/218 E of 17 June 1997, the General Assembly, *inter alia,* decided to undertake a detailed review of that report of the Secretary-General and the related report of the Advisory Committee at its fifty-second session, no later than 15 October 1997, and authorized the Secretary-General in the interim period, from 1 July to 15 October 1997, to commit funds not exceeding the current level of expenditures for the previous three months for the maintenance of the Base. This corresponded to a commitment level of $2 million.

16. In paragraph 17 of its related report, dated 30 September 1997 (A/52/407), the Advisory Committee, *inter alia*, recommended that the General Assembly take the actions indicated in section XV, paragraphs 38 (a) to (e), of the Secretary-General's report, including approval of the budget for the Base for the period from 1 July 1997 to 30 June 1998 (to be prorated among the individual peacekeeping budgets), the implementation of which should take note of the Committee's observations, with a view to achieving economies.

17. By its resolution 52/1 of 15 October 1997, the General Assembly, inter alia, took note of the cost estimates proposed by the Secretary-General and recommended by the Advisory Committee for the maintenance of the Logistics Base for the period from 1 July 1996 to 30 June 1997 amounting to $7,875,000 gross ($7,375,200 net) and the ad hoc funding arrangement; authorized the Secretary-General to enter into commitments on a monthly basis in the amount of $812,100 for the maintenance of the Base for the period from 15 October 1997 to 30 June 1998; authorized the Secretary-General to enter into commitments in the amount of $4,207,500 for the clearance of the backlog inventory; and decided that additional appropriations, as might be required, would be considered in the context of the performance reports on peacekeeping operations for that period.

18. By its resolutions 51/218 E and 52/1, the General Assembly therefore authorized the Secretary-General to enter into commitments totalling $13,110,350, comprising $8,902,850 for the maintenance of the Base for the period from 1 July 1997 to 30 June 1998, and $4,207,500 for the clearance of the backlog.

II. Mission statement

19. The roles of the United Nations Logistics Base were outlined in paragraphs 11 to 13 of the report of the Secretary-General dated 21 May 1997 (A/51/905).

III. Policies for the transfer of used assets and the retention of assets

20. The policies for the transfer of used assets to the Logistics Base and for the retention of assets were set forth in sections X and XI of the report of the Secretary-General (A/51/905) and approved by the General Assembly in its resolution 52/1.

IV. Cost estimates for the period from 1 July 1998 to 30 June 1999

21. The present budget provides for personnel and operating costs required for the maintenance of the Logistics Base. Provision for the cost of spare parts and personnel services needed in connection with the refurbishment of equipment received from liquidating missions has been included in the liquidation budgets of those missions. The amounts included in the liquidation budgets were calculated at 30 per cent of the depreciated value of the equipment to be transferred to the Base (see A/51/905, para. 20).

22. The total budget amounts to $7,141,800 and consists of the maintenance budget of $6,311,900 and a provision in the amount of $829,900 for equipment to complete two start-up kits. A summary of the cost estimates for this period is presented in annex I and the cost parameters and supplementary information thereon in annex II, sections A, B and C. The estimates reflect a decrease of $2,602,700 compared to the cost estimates for the prior 12-month period. This decrease is attributable to the discontinuance of mission subsistence allowance arising from the conversion of the Base to an established duty station; fewer renovation projects under premises and the transfer of some maintenance services to general temporary assistance; and the change to systems contracting for spare parts for refurbishment of vehicles, communications and other equipment already at the Base. Also reduced is the requirement for freight, the cost of which will now be borne by liquidation budgets of closing peacekeeping operations or recipient missions of start-up kits.

23. The amount of $829,900 provided to complete the start-up kits is intended to cover the purchase of vehicles ($759,000), observation equipment ($1,300) and miscellaneous supplies ($69,600).

24. The current and proposed staffing tables are contained in annex IV. In paragraph 10 of its resolution 52/1, the General Assembly authorized a civilian staffing establishment consisting of 10 Professional, 6 Field Service and 28 locally recruited staff.

V. Staffing requirements

25. The Base's satellite communications installation acts as a relay point between the field missions which are within the "footprint" of the Global Atlantic Region Satellite and those within the "footprint" of the Indian Ocean Region Satellite (see A/51/905, para. 15). This function was previously performed by a satellite communications facility in the United Nations Interim Force in Lebanon (UNIFIL) but, because of concerns about the security

and permanence of that location, the function was transferred to the Base in September 1995. Since then, this function has been performed through the loan of four Field Service technicians from UNIFIL, which required payment of mission subsistence allowance. Now that Brindisi has been established as a family duty station, the technical staff required to support the Base's satellite communications facility has to be part of the Brindisi staffing establishment, hence the request in the present budget to increase the number of Field Service staff from 6 to 10.

26. The other change proposed to the staffing table is the deletion of the post of resident auditor and the inclusion of a Legal Adviser. The relevant job description is provided in annex V.

VI. Information provided pursuant to General Assembly resolution 52/1

27. In paragraph 4 of resolution 52/1, the General Assembly requested the Secretary-General to prepare a comprehensive cost-benefit analysis of the operation of the Logistics Base. The cost-benefit analysis is included as annex VII to the present report.

28. In paragraph 5 of the resolution, the General Assembly requested the Secretary-General to make proposals for different sources or modes of financing, including self-financing mechanisms, to consider the possibility of expanding the use of the Base to other agencies and programmes of the United Nations, and to make this information available so as to enable the Assembly to take a decision on the future of the Base, in the context of a coherent strategy for logistic support. The Assembly decided in paragraph 13 of the resolution to refer to the issue of resourcing policy as proposed in section VIII of the report of the Secretary-General dated 21 May 1997 (A/51/905) in the context of its deliberations on the future of the Base.

29. Information regarding the use of the Base by other United Nations agencies and programmes is included in annex VIII to the present report, while the information regarding the role of the Base within the United Nations logistics support strategy is presented in annex IX.

30. In paragraph 7 of the resolution, the Secretary-General was requested to inform the General Assembly on the clearance of the backlog inventory. A progress report on the clearance of the backlog inventory is given in annex X to the present report.

31. In paragraph 11 of the resolution, the General Assembly endorsed the recommendation of the Advisory Committee that the level of staffing should be reviewed in the light of the volume of operations, and requested the Secretary-General to provide this information to the Assembly. Information regarding the level of staffing is provided in annex XI to the present report.

32. The General Assembly also requested, in paragraph 15 of the resolution, that the Secretary-General provide detailed information on the Logistics Base communications relay system and its functions. Information regarding the communications relay system is included as annex XII to the present report.

VII. Proposal on financing arrangements

33. It is proposed that the estimated requirements totalling $7,141,800 for the period from 1 July 1998 to 30 June 1999 should be prorated among the individual active peacekeeping operation budgets rather than appropriated and assessed separately.

VIII. Action to be taken by the General Assembly at its fifty-second session

34. The action to be taken by the General Assembly at its fifty-second session in connection with the financing of the United Nations Logistics Base include the following:

(a) Approval of the cost estimates for the Base amounting to $7,141,800 for the period from 1 July 1998 to 30 June 1999, including the amount of $829,900 for equipment for the completion of start-up kits;

(b) A decision to apply the unencumbered balance of $2,025,800 to the resources required for the period from 1 July 1998 to 30 June 1999, as proposed in paragraph 10 of the report of the Secretary-General dated 2 March 1998 (A/52/810), and to prorate the balance of $5,116,000 among the individual active peacekeeping operation budgets, to meet the financing requirements of the Base for the period from 1 July 1998 to 30 June 1999;

(c) Approval of the resourcing policy proposed in section VIII of document A/51/905 regarding the inclusion in future liquidation budgets of provision for the cost of repair, refurbishment and preservation equal to 30 per cent of the total depreciated value of the equipment to be transferred to the Base.

Annex I

Cost estimates for the period from 1 July 1998 to 30 June 1999

(Thousands of United States dollars)

		(1)	(2)	(3)	(4)	(5)	(6)
			1 July 1998 to 30 June 1999				
		1 July 1997 to 30 June 1998	Total costs (3 + 4)	Operating costs	Start-up kits	Non-recurrent costs	Recurrent costs
1.	**Military personnel costs**	-	-	-	-	-	-
2.	**Civilian personnel costs**						
	(a) *Civilian police*	-	-	-	-	-	-
	(b) *International and local staff*						
	International staff salaries	1,284.6	1 254.4	1 254.4	-	-	1 254.4
	Local staff salaries	409.7	520.8	520.8	-	-	520.8
	Consultants	-	-	-	-	-	-
	Overtime	-	-	-	-	-	-
	General temporary assistance	1,400.0	1 131.9	1 131.9	-	-	1 131.9
	Common staff costs	858.0	1 009.3	1 009.3	-	-	1 009.3
	Mission subsistence allowance	621.5	-	-	-	-	-
	Travel to and from the mission area	-	-	-	-	-	-
	Other travel costs	27.0	50.8	50.8	-	-	50.8
	Subtotal	**4 600.8**	**3 967.2**	**3 967.2**	-	-	**3 967.2**
	(c) *International contractual personnel*	-	-			-	-
	(d) *United Nations Volunteers*	-	-	-	-	-	-
	(e) *Government-provided personnel*	-	-	-	-	-	-
	(f) *Civilian electoral observers*	-	-	-	-	-	-
	Total, line 2	**4 600.8**	**3 967.2**	**3 967.2**	-	-	**3 967.2**
3.	**Premises/accommodation**						
	Rental of premises	-	-	-	-	-	-
	Alteration and renovation of premises	360.0	170.0	170.0	-	170.0	-
	Maintenance supplies	256.8	220.0	220.0	-	-	220.0
	Maintenance services	814.8	-	-	-	-	-
	Utilities	129.4	86.0	86.0	-	-	86.0
	Construction/prefabricated buildings	-	-	-	-	-	-
	Total, line 3	**1 561.0**	**476.0**	**476.0**	-	**170.0**	**306.0**
4.	**Infrastructure repairs**	-	-	-	-	-	-

	(1)	(2)	(3)	(4)	(5)	(6)
		1 July 1998 to 30 June 1999				
	1 July 1997 to 30 June 1998	Total costs (3 + 4)	Operating costs	Start-up kits	Non-recurrent costs	Recurrent costs
5. Transport operations						
Purchase of vehicles	46.0	759.0	-	759.0	759.0	-
Rental of vehicles	30.0	25.2	25.2	-	-	25.2
Workshop equipment	-	-	-	-	-	-
Spare parts, repairs and maintenance	1 077.1	135.0	135.0	-	-	135.0
Petrol, oil and lubricants	180.9	92.5	92.5	-	-	92.5
Vehicle insurance	64.5	51.9	51.9	-	-	51.9
Total, line 5	**1 398.5**	**1 063.6**	**304.6**	**759.0**	**759.0**	**304.6**
6. Air operations	-	-	-	-	-	-
7. Naval operations	-	-	-	-	-	-
8. Communications						
(a) Complementary communications						
Communications equipment	50.0	-	-	-	-	-
Spare parts and supplies	535.4	234.7	234.7	-	-	234.7
Workshop and test equipment	-	20.0	20.0	-	20.0	-
Commercial communications	124.6	66.0	66.0	-	-	66.0
Subtotal	**710.0**	**320.7**	**320.7**	-	**20.0**	**300.7**
(b) Main trunking contract	-	-	-	-	-	-
Total, line 8	**710.0**	**320.7**	**320.7**	-	**20.0**	**300.7**
9. Other equipment						
Office furniture	-	-	-	-	-	-
Office equipment	-	-	-	-	-	-
Data-processing equipment	96.4	67.7	67.7	-	67.7	-
Generators	-	-	-	-	-	-
Observation equipment	-	1.3	-	1.3	1.3	-
Petrol tank plus metering equipment	-	-	-	-	-	-
Water and septic tanks	-	-	-	-	-	-
Medical and dental equipment	-	-	-	-	-	-
Accommodation equipment	-	-	-	-	-	-
Refrigeration equipment	-	-	-	-	-	-
Miscellaneous equipment	35.0	-	-	-	-	-
Field defence equipment	-	-	-	-	-	-
Spare parts, repairs and maintenance	357.6	284.0	284.0	-	-	284.0
Water-purification equipment	-	-	-	-	-	-
Total, line 9	**489.0**	**353.0**	**351.7**	**1.3**	**69.0**	**284.0**

	(1)	(2)	(3)	(4)	(5)	(6)
		1 July 1998 to 30 June 1999				
	1 July 1997 to 30 June 1998	Total costs (3 + 4)	Operating costs	Start-up kits	Non-recurrent costs	Recurrent costs
10. Supplies and services						
(a) Miscellaneous services						
Audit services	34.4	14.4	14.4	-	-	14.4
Contractual services	605.0	573.8	573.8	-	-	573.8
Data-processing services	-	-	-	-	-	-
Security services	-	-	-	-	-	-
Medical treatment and services	-	-	-	-	-	-
Claims and adjustments	-	-	-	-	-	-
Official hospitality	2.0	2.0	2.0	-	-	2.0
Miscellaneous other services	50.0	20.0	20.0	-	-	20.0
Subtotal	**691.4**	**610.2**	**610.2**	-	-	**610.2**
(b) Miscellaneous supplies						
Stationery and office supplies	30.0	26.0	20.0	6.0	-	20.0
Medical supplies	-	-	-	-	-	-
Sanitation and cleaning materials	9.8	5.0	5.0	-	-	5.0
Subscriptions	-	1.5	1.5	-	-	1.5
Electrical supplies	-	-	-	-	-	-
Ballistic-protective blankets for vehicles	-	-	-	-	-	-
Uniform items, flags and decals	-	-	-	-	-	-
Field defence stores	-	-	-	-	-	-
Operational maps	-	-	-	-	-	-
Quartermaster and general stores	-	-	-	-	-	
Miscellaneous supplies	37.0	228.6	165.0	63.6	-	165.0
Subtotal	**76.8**	**261.1**	**191.5**	**69.6**	-	**191.5**
Total, line 10	**768.2**	**871.3**	**801.7**	**69.6**	-	**801.7**
11. Election-related supplies and services						
12. Public information programmes						
Equipment	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-
Contractual services	-	-	-	-	-	-
Department of Public Information production costs	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-
Total, line 12	-	-	-	-	-	-
13. Training programmes						
Consultants	-	-	-	-	-	-
Consultants' travel	-	-	-	-	-	-
Training equipment	-	-	-	-	-	-
Training materials	-	-	-	-	-	-
Miscellaneous services	62.0	50.0	50.0	-	-	50.0
Total, line 13	**62.0**	**50.0**	**50.0**	-	-	**50.0**

		(1)	(2)	(3)	(4)	(5)	(6)
			1 July 1998 to 30 June 1999				
		1 July 1997 to 30 June 1998	Total costs (3 + 4)	Operating costs	Start-up kits	Non-recurrent costs	Recurrent costs
14.	**Mine-clearing programmes**	-	-	-	-	-	-
15.	**Assistance for disarmament and demobilization**		-	-	-	-	-
16.	**Air and surface freight**						
	Transport of contingent-owned equipment	-	-	-	-	-	-
	Military airlifts	-	-	-	-	-	-
	Commercial freight and cartage	155.0	40.0	40.0	-	-	40.0
	Total, line 16	**155.0**	**40.0**	**40.0**	-	-	**40.0**
17.	**United Nations Logistics Base, Brindisi**	-	-	-	-	-	-
18.	**Support account for peacekeeping operations**	-	-	-	-	-	-
19.	**Staff assessment**	-	-	-	-	-	-
	Total, lines 1-19	**9 744.5**	**7 141.8**	**6 311.9**	**829.9**	**1 018.0**	**6 054.2**
20.	**Income from staff assessment**	-	-	-	-	-	-
21.	**Voluntary contributions in kind (budgeted)**	-	-	-	-	-	-
	Total, lines 20-21	-	-	-	-	-	-
	Gross requirements	9 744.5	7 141.8	6 311.9	829.9	1 018.0	6 054.2
	Net requirements	9 744.5	7 141.8	6 311.9	829.9	1 018.0	6 054.2
22.	**Voluntary contributions in kind (non-budgeted)**	-	-	-	-	-	-
	Total resources	**9 744.5**	**7 141.8**	**6 311.9**	**829.9**	**1 018.0**	**6 054.2**

Annex II

Cost estimates for the period from 1 July 1998 to 30 June 1999: supplementary information

A. Mission-specific costs and ratios

Description	Previous submission	Proposed estimates: Average strength	Proposed estimates: Unit or daily cost (United States dollars)	Proposed estimates: Monthly cost (United States dollars)	Proposed estimates: Annual cost (United States dollars)	Ratio	Explanation
1. Mission subsistence allowance							
(a) First 30 days	88.00		—				Mission subsistence allowance discontinued owing to conversion to established office effective 1 March 1998.
(b) After 30 days	73.00		—				
2. Civilian personnel							
International staff	16	20					Includes Field Service communications technicians.
Local staff	28	28					
3. Local staff							
Net salary	1 620			1 553			Adjustment based on exchange rate of 1,780 lire to US$ 1.00.
Common staff costs	650			621			
Staff assessment	470			—			Salaries are on net basis.
4. Travel	27 000				50 800		Includes travel of Field Administration and Logistics Division officials and internal auditors.
5. Premises							
Alterations and renovations to premises	360 000				170 000		Less costly renovations planned.
Maintenance supplies	256 800				220 000		Reduced requirements.
Maintenance services	814 800				—		Requirements provided for under general temporary assistance.
6. Utilities							
Water	333			292			Experience-based adjustments.
Sewage	467			542			
Electricity	6 333			5 000			
Heating fuel	2 200			1 000			
Generator fuel	1 450			333			

Description	Previous submission	Average strength	Proposed estimates: Unit or daily cost (United States dollars)	Proposed estimates: Monthly cost (United States dollars)	Proposed estimates: Annual cost (United States dollars)	Ratio	Explanation
7. Vehicles							
Number of passenger vehicles	52	26				1:1:8	Ratio is based on 26 vehicles to 48 core staff. Requirements reduced owing to change in status of duty station and shift to systems contracts.
Number of specialized vehicles	14	24					
Number of trailers	3	2					
8. Rental of vehicles	2 500			2 100			Fewer vehicles will be required on rental basis.
9. Spare parts, repair and maintenance of vehicles (each)					993		Average annual cost for each of 136 vehicles, consisting of 52 United Nations-owned and 84 vehicles/trailer units in long-term storage.
Light vehicles	1 498				—		
Medium vehicles	1 926				—		
Heavy vehicles	2 354				—		
Engineering equipment	5 350				—		
Heavy trailers	1 605				—		
10. Petrol (each)							
Light	3.24		1.33				Price of petrol is $0.35 per litre. Additional information is provided in section B of the present annex.
Medium	4.10		1.75				
Heavy	4.32		2.28				
Engineering	13.44		1.77				
11. Vehicle insurance (each)							
Vehicle rate (global third-party insurance)	20.80			4.75			Current rate for worldwide third-party liability insurance and local insurance.
Vehicle rate (local vehicle insurance)	—			78.50			
12. Commercial communication	10 383			5 500			See section B of present annex for additional information.
13. Contractual services							See section B of present annex for additional information.
Rewarehousing, packing, loading, of equipment	250 000				—		
Cleaning of buildings	34 000				55 000		

Description	Previous submission	Proposed estimates: Average strength	Unit or daily cost (United States dollars)	Monthly cost (United States dollars)	Annual cost (United States dollars)	Ratio	Explanation
Garbage collection	42 000				40 000		
Water supply for San Pancrazio	3 500				—		Provided for under utilities.
Rental of portable toilets	10 000				—		
Grounds maintenance	13 000				12 000		
Fumigation and pest control	12 500				15 000		
Maintenance of fire extinguishers	12 500				8 000		
Container refurbishment	180 000				—		
Preservation for storage for prefabs	—				15 000		
Repair/maintenance of audio and video equipment	—				25 000		
Repair/maintenance of vehicle fleet	—				114 300		
Repair/maintenance of generators	—				12 000		
Repair of sundry equipment	—				200 000		
Disposal of hazardous materials	—				20 000		
Contracts on certification of containers	—				22 500		
Memorandum of understanding costs	60 000				30 000		
14. Training programme	62 000				50 000		Participation in manufacturer's training courses.
15. Air and surface freight	155 000				40 000		Cost of shipments to and from peacekeeping missions to be borne by individual mission budgets.

B. Supplementary explanation

1. *Civilian personnel costs*. The cost estimates are based on a total of 20 international civilian staff (10 Professional and 10 Field Service) and 28 local staff. Salaries and common staff costs for the international staff are estimated using Rome standard costs rates, while those for locally recruited staff are based on the salary scale established for the duty station. No provision has been made for staff assessment, since the budget is on a net basis. The payment of mission subsistence allowance to international staff at the Logistics Base has been discontinued, as Brindisi is now a family duty station.

The proposed staffing table is contained in annex IV. The above staffing complement is intended to ensure that certain core functions, including the supervision of contractual personnel, are undertaken by United Nations staff.

2. *General temporary assistance*. The amount of $1,113,900 is included to employ 55 personnel under special service agreements for 660 person/months to perform the functions shown in annex VI.

3. *Other travel costs*. Provision is made in the amount of $50,800 to cover two visits by the Chief of the Logistics Base to New York ($8,000), travel of Logistics Base officials to Rome for meetings with government officials and other United Nations agencies ($4,000), round-trip travel to the former Yugoslavia for participation in Regional Chief Administrative Officers' conference ($2,000), travel of Field Administration and Logistics Division officials to the Base for management review and coordination of logistics activities ($12,000) and for technical specialists from the Base to participate in technical survey missions ($14,000). Provision is also made for round-trip travel and subsistence allowance for two internal auditors for 21 days ($10,800).

4. *Alterations and renovations to premises*. Provision is made in the amount of $170,000 to cover replacement of damaged and corroded roof sheeting on the south side of building 118A ($110,000), installation of rollover doors and an access ramp to the entrance of building 241 ($20,000), installation of a damp-proof membrane on the roof of various buildings throughout the facility ($40,000).

5. *Maintenance supplies*. Provision is made in the amount of $220,000 for maintenance of the electrical and mechanical equipment and facilities assigned to the United Nations in accordance with Italian law and all applicable building codes.

6. *Utilities*. Provision is made for $86,000 to cover electricity ($60,000), water delivery and sewage disposal at the San Pancrazio storage site ($10,000), heating fuel ($12,000) and fuel for generators installed on site for power outages and routine tests ($4,000).

7. *Purchase of vehicles*. Provision is made in the amount of $759,000 to purchase 35 4x4 vehicles ($630,000), 1 light forklift ($30,000) plus freight at 15 per cent ($99,000) for the completion of two start-up kits.

8. *Rental of vehicles*. Provision is made at the rate of $2,100 per month to cover the rental of specialized equipment, such as mobile cranes, low-bed tractor-trailers and recovery equipment.

9. *Spare parts, repairs and maintenance*. Provision is made in the amount of $135,000 for the purchase of spare parts for the routine maintenance of 52 United Nations-owned vehicles in the Base fleet ($51,600) and for the preservation of 84 vehicles/trailer units held in long-term storage ($83,400). Although the total Base fleet is 69 vehicles, calculations are based on 52 vehicles on the premise that the fleet will be supplemented from the United Nations reserve on an "as required" basis.

10. *Petrol, oil and lubricants.* Provision is made in the amount of $92,500 for diesel fuel, petrol, oil, coolants and lubricants for the vehicle fleet based on the average daily usage for different vehicle categories and actual consumption as follows:

(a) For 52 vehicles in the Base fleet ($33,600)

Light vehicles: 3.8 litres x 26 vehicles x $0.35 x 365 days	12 622
Medium vehicles: 5.0 litres x 4 vehicles x $0.35 x 365 days	2 555
Heavy vehicles: 6.5 litres x 2 vehicles x $0.35 x 365 days	1 661
Material handling: 7.0 litres x 13 vehicles x $0.35 x 365 days	11 625
2 trailers (no requirement)	—
5 vehicles (electrically operated – no requirement)	—
Oil and lubricants	5 172

(b) For preservation of 117 reserve vehicles of various categories ($23,900)

Medium vehicles: 1 x $150	150
Heavy vehicles: 25 x $300	7 500
Material handling: 7 x $400	2 800
Trailer: 51 x $250	12 750
Trucks: 33 x 20.15	655

(c) For testing and long-term preservation of 500 generators ($35,000)

Test run twice yearly, i.e. 1,000 tests at $13 each test	13 000
Antifreeze, 500 fillings at $10 per filling	5 000
Lubricating oil change, 500 twice yearly at $15 per oil change	15 000
Miscellaneous oils, grease and preservation fluids	2 000

11. *Vehicle insurance.* Provision is made for third-party liability insurance under the United Nations global insurance policy for 52 United Nations-owned vehicles.

12. *Communications spare parts and supplies.* Provision is made in the amount of $234,700 for spare parts and supplies for routine maintenance and repair of satellite equipment ($115,000), telephone equipment ($19,700), radio/microwave equipment ($40,000), preservation materials ($20,000) and start-up kit maintenance ($40,000).

13. *Workshop and test equipment.* Provision is made for the purchase of test equipment for digital telephone connection.

14. *Commercial communications.* Provision is made in the amount of $66,000 to cover pouch and mail services ($25,000), telephone ($20,000), Internal Standard Digital Network line ($10,000) cellular phones ($6,000) and internet connection charges ($5,000).

15. *Electronic data-processing equipment.* Provision is made in the amount of $67,700 to replace obsolete data-processing equipment in order to enhance the Base's local area network and data-processing capability ($58,700) and for maintenance packages for payroll ($9,000). The upgrading of this equipment will enhance the functionality of the field assets control and field mission logistics systems.

16. *Observation equipment.* Provision is made for acquisition of 160 flashlights at $8.00 each ($1,300) for the start-up kits.

17. *Spare parts, repairs and maintenance.* Provision is made in the amount of $284,000 for spare parts for existing data-processing equipment, including software ($114,000), office equipment ($115,000), generator ($55,000).

18. *Audit services.* The provision under this heading covers one audit.

19. *Contractual services.* Provision is made in the amount of $573,800 for the following services to be provided under contractual arrangements:

(a) Daily cleaning of offices and bathrooms, industrial cleaning of warehouses and workshops ($55,000);

(b) Weekly garbage collection, monthly cleaning and disinfection of bins and rental of garbage dumpsters ($40,000);

(c) Grounds maintenance, i.e. grass cutting and general cleaning of open areas six times per year ($12,000);

(d) Maintenance of fire extinguishers at the Base and within the start-up kits ($8,000);

(e) Fumigation, disinfection and rodent control of Base buildings ($15,000);

(f) Systems contract for the repair, maintenance and preservation of audio and video equipment held in long-term storage ($25,000). This is to ensure serviceability of the equipment;

(g) Systems contract for the repair and maintenance of the Base's back-up generators supporting the local area network and the communications installations at storage sites at the Base and San Pancrazio ($12,000);

(h) Systems contract for repair and maintenance of the Base's fleet of 52 vehicles, including heavy equipment such as trailers, forklifts and other material handling equipment ($114,300);

(i) Systems contract in the amount of $220,000 for the repair and maintenance of generator fuel injectors, including calibration ($50,000), repair of electrical assemblies including starter motors, battery alternators, power generation alternators and other small appliances ($45,000), repair and pressure testing of radiators and cooling systems ($10,000), repair and refurbishment of refrigerated containers and various other air-conditioning plants ($25,000); and repair and maintenance of electrical power generation equipment ($90,000);

(j) Contract for the disposal of hazardous waste materials (batteries, tyres, used oils, contaminated gases, etc.) in compliance with the law and in accordance with the strictest rules for environmental protection ($20,000);

(k) Contract for certification of sea containers ($22,500);

(l) Memorandum of understanding administrative costs – Italian Air Force maintenance of roads/runways and miscellaneous administrative costs ($30,000).

20. *Official hospitality.* Provision is made for hospitality to visiting government officials.

21. *Miscellaneous other services.* Provision is made in the amount of $20,000 for miscellaneous services to be provided on an as-required basis such as fire-fighting interventions and ambulance services.

22. *Stationery and office supplies.* Provision is made in the amount of $26,000 for stationery for printing of training materials, and office supplies, including archiving

materials ($20,000) and stationery and office supplies to complete the two start-up kits ($6,000).

23. *Sanitation and cleaning materials*. Provision is made for the purchase of cleaning materials.

24. *Subscriptions*. Provision is made for subscriptions to English language and local newspapers and technical publications.

25. *Miscellaneous supplies*. Provision is made in the amount of $228,600 as follows:

(a) Operation of the Base ($165,000)

Health and safety equipment including first-aid kits, goggles, boots and protective masks	24 000
Building/Directional signs	1 000
Shelving for storage of generator spare parts in building 261	60 000
Packaging materials including tape, cardboard boxes, plastic wrapping, foam-packaging chemicals, etc.	80 000

(b) Start-up kits ($63,600)

Provision is also made for purchase of supplies and equipment such as data-processing supplies, health and safety materials, batteries, lamps, stoves, detergent, bottled water, construction materials and plastic sheeting and materials for shelter.

26. *Training*. Provision is made for the training of international and local core staff of the Base at manufacturers' training facilities ($50,000). This is essential to ensure that staff are kept up to date with technology in the areas of communications, transport, engineering and logistics. These estimates include daily subsistence allowance, travel costs and course registration fees.

27. *Air and surface freight*. Provision is made in the amount of $40,000 for courier services between the Base and peacekeeping operations ($13,000), customs clearance ($12,000) and port charges ($15,000).

28. *United Nations Logistics Base, Brindisi*. Provision under this line item is not applicable.

29. *Support account for peacekeeping operations*. No provision is made under this heading.

30. *Staff assessment*. No provision is made for staff assessment.

31. *Income from staff assessment*. No provision is made under this line item.

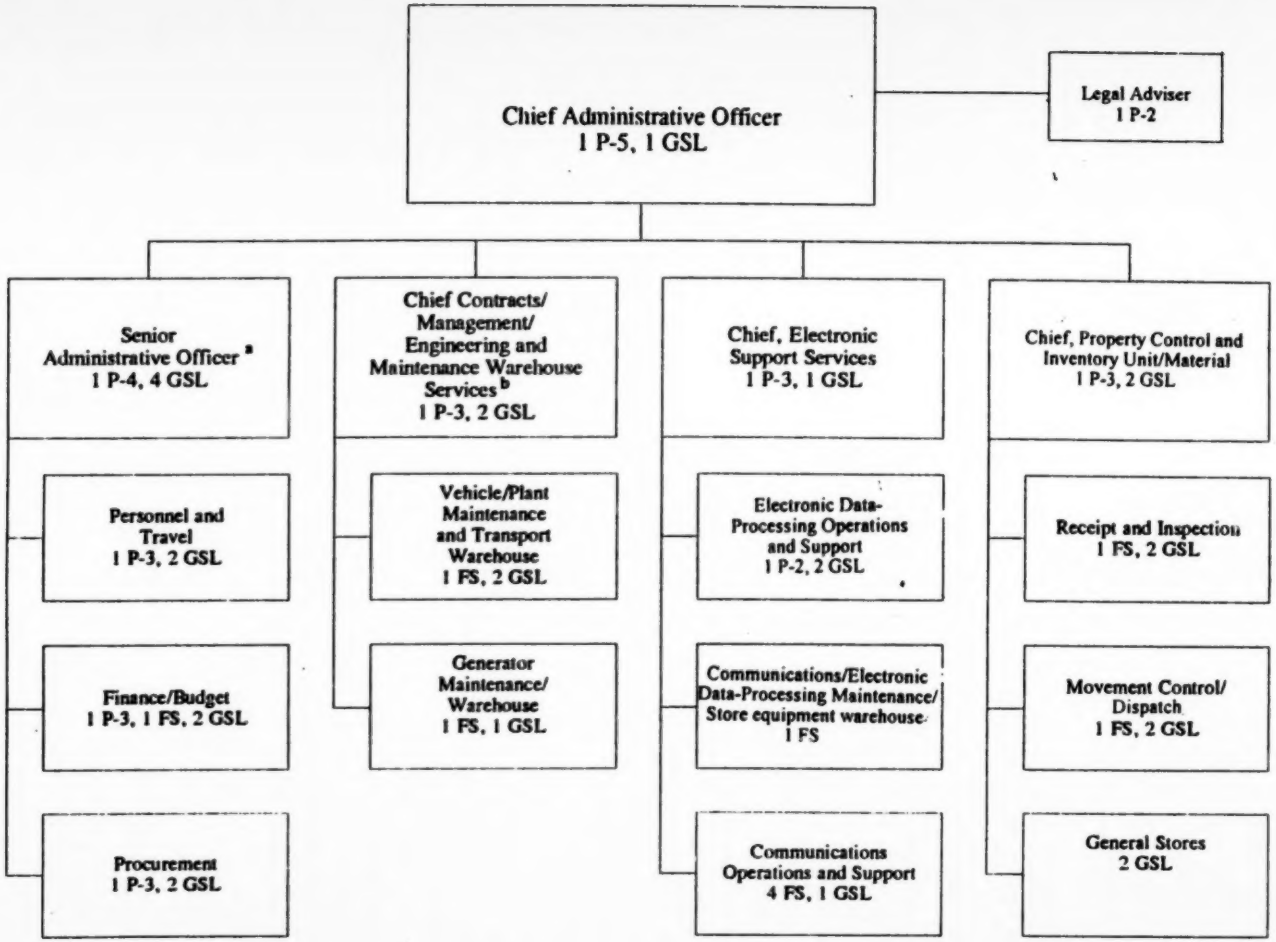
C. Requirements for non-recurrent costs

(Thousands of United States dollars, unless otherwise indicated)

	(1) Current inventory	(2) Replacement	(3) Additional	(4) Total number of units (2 + 3)	(5) Unit cost	(6) Total cost (4 x 5)
1. Military personnel costs						-
2. Civilian personnel costs						-
3. Premises/accommodation						
Rental of premises						-
Alteration and renovation of premises						
Replacement of damaged and corroded roofing sheets - Building 118A						110.0
Installation of rollover doors and access ramp - Building 241						20.0
Installation of damp-proof membrane on various buildings						40.0
Maintenance supplies						-
Maintenance services						-
Utilities						-
Construction/prefabricated buildings						-
Total, line 3						**170.0**
4. Infrastructure repairs						-
5. Transport operations						
Purchase of vehicles						
For start-up kits						
Jeep, 4 x 4 , light/medium	-	-	35	35	18.0	630.0
Electric forklift, light	-	-	1	1	30.0	30.0
Subtotal						660.0
Freight at 15 per cent						99.0
Subtotal						759.0
Rental of vehicles						-
Workshop equipment						-
Spare parts, repairs and maintenance						
Petrol, oil and lubricants						
Vehicle insurance						
Total, line 5						**759.0**
6. Air operations						-
7. Naval operations						-
8. Communications						
(a) *Complementary communications*						
Communications equipment						
Spare parts and supplies						
Workshop and test equipment						
Test equipment for digital telephone connection	-	-	1	1	20.0	20.0
Commercial communications						
Subtotal						**20.0**

	(1) Current inventory	(2) Replacement	(3) Additional	(4) Total number of units (2 + 3)	(5) Unit cost	(6) Total cost (4 x 5)
(b) Main trunking contract						-
Total, line 8						**20.0**
9. Other equipment						
Office furniture						
Office equipment						
Data-processing equipment						
File servers	-	2	-	2	17.0	34.0
Desktop computers	-	10	-	10	1.7	17.0
Subtotal						51.0
Freight at 15 per cent						7.7
Subtotal						58.7
Maintenance packages for payroll systems				1	9.0	9.0
Subtotal						67.7
Generators						
Observation equipment						
Petrol tank plus metering equipment						
Water and septic tanks						
Medical and dental equipment						
Accommodation equipment						
Refrigeration equipment						
Miscellaneous equipment						
Flashlights for start-up kits	-	-	160	160	0.008	1.3
Field defence equipment						
Spare parts, repairs and maintenance						
Water-purification equipment						
Total, line 9						**69.0**
10. Supplies and services						-
11. Election-related supplies and services						-
12. Public information programmes						-
13. Training programmes						-
14. Mine-clearing programmes						-
15. Assistance for disarmament and demobilization						-
16. Air and surface freight						-
17. United Nations Logistics Base, Brindisi						
18. Support account for peacekeeping operations						-
19. Staff assessment						
Staff assessment, international staff						
Staff assessment, local staff						
Total, line 19						-
Total, lines 1-19						**1,018.0**

Annex III
Organizational chart



[a] Includes Security Services, Liaison Assistant, Registry, Pouch and Archives.
[b] Includes alterations and renovations of premises.

Annex IV

Current and proposed staffing tables

	Professional category and above					*General Service and related categories*								
	P-5	*P-4*	*P-3*	*P-2*	***Total***	*FS*	*(PL)*	*(OL)*	*SS*	***Total***	*Local staff*	*Contractual personnel*	*UNV*	***Grand total***
A. Current														
Office of the Chief Administrative Officer														
Chief Administrative Officer	1	—	—	—	**1**	—	—	—	—	—	1	—	—	**2**
Resident Auditor	—	—	1	—	**1**	—	—	—	—	—	—	—	—	**1**
Liaison Assistant	—	—	—	—	**—**	—	—	—	—	—	1	—	—	**1**
Security	—	—	—	—	**—**	1	—	—	—	**1**	—	—	—	**1**
Subtotal	**1**	**—**	**1**	**—**	**2**	**1**	**—**	**—**	**—**	**1**	**2**	**—**	**—**	**5**
Administration														
Senior Administrative Officer	—	1	—	—	**1**	—	—	—	—	—	3	—	—	**4**
Contracts Management	—	—	—	—	**—**	—	—	—	—	—	1	—	—	**1**
Finance/Budget	—	—	1	—	**1**	—	—	—	—	—	3	—	—	**4**
Procurement	—	—	1	—	**1**	—	—	—	—	—	2	—	—	**3**
Personnel/travel	—	—	1	—	**1**	—	—	—	—	—	2	—	—	**3**
Subtotal	**—**	**1**	**3**	**—**	**4**	**—**	**—**	**—**	**—**	**—**	**11**	**—**	**—**	**15**
Property and Inventory Control														
Office of the Chief	—	—	1	—	**1**	—	—	—	—	—	1	—	—	**2**
Property Control and Inventory Unit/Material Management	—	—	—	1	**1**	—	—	—	—	—	1	—	—	**2**
Receiving and Inspection	—	—	—	—	**—**	—	—	—	—	—	2	—	—	**2**
Movement Control	—	—	—	—	**—**	—	—	—	—	—	2	—	—	**2**
General Stores	—	—	—	—	**—**	—	—	—	—	—	2	—	—	**2**
Subtotal	**—**	**—**	**1**	**1**	**2**	**—**	**—**	**—**	**—**	**—**	**8**	**—**	**—**	**10**
Technical Services														
Office of the Chief	—	—	1	—	**1**	—	—	—	—	—	1	—	—	**2**
Vehicle Maintenance	—	—	—	—	**—**	1	—	—	—	**1**	1	—	—	**2**
Generator Maintenance	—	—	—	—	**—**	1	—	—	—	**1**	1	—	—	**2**
Engineering Maintenance	—	—	—	—	**—**	1	—	—	—	**1**	1	—	—	**2**
Communications/Electronic Data-Processing Maintenance	—	—	—	—	**—**	1	—	—	—	**1**	1	—	—	**2**
Communications operations	—	—	—	—	**—**	1	—	—	—	**1**	1	—	—	**2**
Electronic Data-Processing operations	—	—	—	1	**1**	—	—	—	—	—	1	—	—	**2**
Subtotal	**—**	**—**	**1**	**1**	**2**	**5**	**—**	**—**	**—**	**5**	**7**	**—**	**—**	**14**
Total current	**1**	**1**	**6**	**2**	**10**	**6**	**—**	**—**	**—**	**6**	**28**	**—**	**—**	**44**

	Professional category and above					*General Service and related categories*								
	P-5	*P-4*	*P-3*	*P-2*	***Total***	*FS*	*(PL)*	*(OL)*	*SS*	***Total***	*Local staff*	*Contractual personnel*	*UNV*	***Grand total***
B. Proposed														
Office of the Chief Administrative Officer														
Chief Administrative Officer	1	—	—	—	1	—	—	—	—	—	1	—	—	2
Legal Officer	—	—	—	1	1	—	—	—	—	—	—	—	—	1
Subtotal	1	—	—	1	2	—	—	—	—	—	1	—	—	3
Administration														
Senior Administrative Officer	—	1	—	—	1	—	—	—	—	—	4	—	—	5
Finance/Budget	—	—	1	—	1	1	—	—	—	1	2	—	—	4
Procurement	—	—	1	—	1	—	—	—	—	—	2	—	—	3
Personnel/travel	—	—	1	—	1	—	—	—	—	—	2	—	—	3
Subtotal	—	1	3	—	4	1	—	—	—	1	10	—	—	15
Technical Services														
Chief Contracts Management	—	—	1	—	1	—	—	—	—	—	2	—	—	3
Vehicle Maintenance/Transport	—	—	—	—	—	1	—	—	—	1	2	—	—	3
Generator Maintenance/Warehouse	—	—	—	—	—	1	—	—	—	1	1	—	—	2
Chief Electronic Services	—	—	1	—	1	—	—	—	—	—	1	—	—	2
Electronic Data-Processing Operations and Support	—	—	—	1	1	—	—	—	—	—	2	—	—	3
Communications/Electronic Data-Processing /Stores Equipment warehouse	—	—	—	—	—	1	—	—	—	1	—	—	—	1
Communications Operations and Support	—	—	—	—	—	4	—	—	—	4	1	—	—	5
Chief, Property Control and Inventory Unit/Material Management	—	—	1	—	1	—	—	—	—	—	2	—	—	3
Receipt and Inspection	—	—	—	—	—	1	—	—	—	1	2	—	—	3
Movement Control/Dispatch	—	—	—	—	—	1	—	—	—	1	2	—	—	3
General stores	—	—	—	—	—	—	—	—	—	—	2	—	—	2
Subtotal	—	—	3	1	4	9	—	—	—	9	17	—	—	30
Total	1	1	6	2	10	10	—	—	—	10	28	—	—	48

Annex V

Job description

Legal adviser (P-2). Under the supervision of the Chief Administrative Officer, the incumbent will perform the following duties:

(a) Provide juridical advice on the legal aspects of activities of the United Nations Logistics Base, including relations with the host Government and other bodies;

(b) Establish contact and maintain liaison with host Government representatives in various ministries, local government authorities and other bodies on a wide range of matters having legal implications for the Logistics Base;

(c) Advise on policy and rules of procedures, specifically those having legal or financial implications for the United Nations;

(d) Provide advice to the Board of Inquiry; serve as a member of the Claims Review Board, Local Property Survey Board and the Local Committee on Contracts;

(e) Provide advice and legal reviews of contracts and claims;

(f) As a member of the Property Survey Board, take responsibility for initiating claims against third parties, prepare documentation, schedule meetings, follow up on cases, action findings and recommendations of the Board, including possible reference to the United Nations Headquarters Property Survey Board;

(g) Undertake ad hoc tasks, as assigned by the Chief Administrative Officer.

Annex VI

Requirements for general temporary assistance for the period from 1 July 1998 to 30 June 1999

Maintenance budget

Section/unit	*Number of personnel*	*Number of person/months*	*Function*
Senior Administrative Officer	1	12	Registry Clerk
	1	12	Personnel Assistant
	1	12	Camp Services Clerk
Procurement/travel	1	12	Personnel Clerk
Finance/budget	1	12	Finance Clerk
Procurement	1	12	Invoices
	1	12	Processing Clerk
Chief, Contracts Management, Engineering and Maintenance Services	2	24	Storekeepers
	1	12	Draftsmen
	1	12	Metal Worker
	1	12	Carpenter
	1	12	Plumber
	1	12	Data Management Clerk
	1	12	Metal Worker/Forklift Operator
	1	12	Plumber/Truck Operator
	1	12	Electrician/Forklift Operator
	1	12	Mechanic
	1	12	Mason/Printer
Vehicle/plant maintenance and transport warehouse	2	24	Transport Assistants
	1	12	Dispatch Clerk
	1	12	Painter panel beater
Generator maintenance/warehouse	3	36	Generator Technicians
	1	12	Storekeeper
	1	12	Administrative Clerk
	1	12	Electrician
	1	12	Refrigerator/Air-conditioner Technician
Electronic Data-Processing Operations and Support	1	12	Electronic data processing/appliance support
Communications/Electronic Data-Processing/stores	2	24	Communications maintenance
Equipment/maintenance/warehouse	2	24	Electronic data-processing maintenance
	2	24	Office equipment maintenance
	1	12	Stores Clerk
Communications Operations and Support	1	12	Communications Assistant

Section/unit	*Number of personnel*	*Number of person/months*	*Function*
Chief of Property Control and Inventory Unit	2	24	Property Control and Inventory Unit Assistant
	1	12	Materials management control
	1	12	Codification Assistant
Movement Control Dispatch	1	12	Movement Control Clerk
	1	12	Customs Liaison Clerk
General stores warehouse	1	12	Foremen/Storekeeper
	2	24	Storekeepers
	2	24	Forklift Operators
	1	12	Stores Clerk
	2	24	Data Entry Clerk
	2	24	Warehouse Assistants
Total	**55**	**660**	

Annex VII

Cost-benefit analysis

1. *The technique employed.* In response to the request for a cost-benefit analysis of the operation of the Logistics Base at Brindisi, this annex provides a cost-analysis of the operation of the Base using both cost-benefit and cost-utility techniques. The cost-benefit analyses show that the operation and output of the Base has proved historically to have been of much better value than the alternative, the new procurement of equipment to meet the needs of field missions. The cost-utility analysis shows that the Base will continue to provide a very effective level of cost-utility for the support of new United Nations peacekeeping operations for the foreseeable future. The application of sensitivity analyses to these results showed that they are very robust.

2. There is a range of analytical tools which can be used to carry out a cost analysis of an entity such as the Logistics Base. The two forms of cost analysis which are most relevant and applicable to the Base's situation are cost-benefit analysis, and cost-utility analysis.

3. A cost-benefit analysis refers to the evaluation of alternatives according to a comparison of both their costs and their benefits, when each is measured in monetary terms. In order to be considered for selection, any alternative must show benefits in excess of costs. The cost-benefit technique can only be used when it is possible to assign realistic monetary values to all costs and benefits of all the alternatives under consideration.

4. In the case of the Base, sufficient historical cost data for the period 1994 to 1997 is available to permit a cost-benefit of its overall operation in relation to its support of field missions. Data is also available for individual cost-benefit analyses of various specific equipment repair programmes.

5. A cost-utility analysis refers to the evaluation of alternatives according to a comparison of their costs, and the estimated value or utility of their outcomes. In contrast to the cost-benefit method, cost-utility analysis permits the use of a wide range of types of qualitative and quantitative data (not necessarily monetary values) to inform the decision-making process. It is a particularly useful technique when there is a significant degree of uncertainty about the future outcomes which may be required.

6. A cost-utility analysis may be developed for the Base by looking at various scenarios that will require its support in the near future, assigning probabilities to each of these, estimating the balance between cost and benefit in each case, and combining all the results with due regard to their relative probabilities.

7. *Cost-benefit analysis of the Logistics Base.* As indicated above, sufficient historical cost data is available to carry out both a cost-benefit analysis of the overall operation of the Base in relation to its support of field missions during the period 1994 to 1997. Individual cost-benefit analyses of various specific equipment repair programmes are also feasible.

8. From 1994 to 1997, the United Nations set up new missions in Angola, Haiti, and Eastern Slavonia. These missions required significant amounts of new procurement, especially of transport, communications and electronic data-processing equipment. During the same period, the Organization also closed down missions in Mozambique, Somalia and Bosnia. These mission closures rendered very large quantities (estimated to be worth $165.2 million at inventory values) of used but still-serviceable surplus equipment which was deemed to be worth retaining for potential re-use by the United Nations. Under the United Nations traditional mission closure practices, all of this equipment would have been disposed

of locally, in the mission area. However, the existence of the Base gave the Organization the alternative of shipping out the still-usable material to a safe holding location, pending identification of the exact logistics support requirements of the new missions. While this meant that the United Nations lost the opportunity of selling this used equipment locally at the end of the liquidated missions (even supposing that this would have been possible in the case of Somalia) the likely level of recoveries from such sales would have been very small. For example, the sale of surplus United Nations property (of no further use to the Organization) during the liquidation of the United Nations Peace Forces (UNPF) only generated recoveries of 8 per cent of inventory value. This figure is used as it is the only available historical estimate of the "lost" recoveries resulting from the transfer of equipment to the Base at mission liquidation. This estimate may be regarded as being on the low side; it will therefore be necessary to carry out a sensitivity analysis of the results arising from using it.

9. By having used equipment readily at hand to meet the needs of the new missions, the United Nations was able to avoid significant orders for new material. From 1994 to 1997, the Base shipped out $69.6 million worth of equipment (at inventory values) to field missions. All of this equipment was issued against clearly identified and fully justified requirements; had the Base not existed, all of this equipment would have been subject to new procurement. This would not only have cost the United Nations $69.6 million in new procurement costs, but would also have resulted in much slower satisfaction of the field missions' urgent needs. It is clear that, even when due allowance is made for the operating costs of the Base, the costs of shipping the used equipment from the closing missions to the Base, then from the Base to the new missions, and even for "missed" potential recoveries from sale of the used equipment in the closing missions' areas, significant savings accrued from the Base's existence.

10. There are further costs which should be offset against the cost of operating the Logistics Base. The Base absorbed the functions of the former United Nations Supply Depot at Pisa in northern Italy. That operation, which had been in existence for close to 40 years, was the source of all United Nations-specific accoutrements (blue berets, flags, etc.) for all United Nations peacekeeping troops. Had the Base not come into existence, the United Nations would have had to continue to operate the Supply Depot at an annual cost of $800,000. In addition, if the Base did not exist, the United Nations would still have to maintain a satellite relay facility somewhere in the region, at an estimated cost of an additional $800,000 per year. If the Base premises had not been made available rent-free by the Government of Italy, the United Nations would have been unable to achieve savings in procurement costs from 1994 to 1997 without renting comparable warehousing facilities on the commercial market to handle liquidating missions' surplus assets, for a probable aggregate total period of 18 months. It is estimated that these facilities would have cost a total of $5 million, to which must be added the corresponding operating costs, which would probably have been about $6 million. (These figures are based on the Base's operating costs over that period, which averaged $5.7 million per year, from which must be deducted the $1.6 million per year "sunk" costs of operating the Base and operating the satellite relay facility, for a net operating cost of $4.1 million per year.)

11. Another significant cost offset which can be attributed to the Base is the fact that its very existence has permitted the much more rapid run-down and closure of liquidating field missions than would otherwise have been possible. Experience of mission liquidations over the last few years suggests that the availability of the Base has halved the time taken physically to wind up a field operation, with consequent major savings to the Organization. In particular, it allows a much more rapid run-down of civilian staff strength than would otherwise be possible. During the period under review, the United Nations Operation in

Mozambique (ONUMOZ), the United Nations Operation in Somalia (UNOSOM) and the United Nations Assistance Mission for Rwanda (UNAMIR) all liquidated. It is assumed that the availability of the Base allowed the physical liquidation periods for these missions' to be cut in half, from a potential four months to an average of two months. If it is also assumed that about half of each mission's United Nations personnel would have been occupied, directly or indirectly, in the physical mission wind-up processes during their final periods, then the resulting savings can (conservatively) be estimated to have been of the order of $11.5 million.

12. The following data illustrates these points:

(a) Costs of operation of the Logistics Base. The costs arising from the operation of the Base during the period from 24 November 1994 to 3 December 1997 were as follows:

Cost of shipping material to the Base from closing missions	6 700 000	
Logistics Base operating costs	17 000 000	
Value of missed equipment disposal recoveries	13 200 000	
Total input cost	**36 900 000**	**(A)**

(The value of missed equipment disposal recoveries assumes that, had the $165.2 million worth of equipment shipped to the Base been disposed of locally instead of being shipped, the United Nations would have recovered 8 per cent of its value through local sales (a very generous estimate, particularly in the case of UNOSOM). By shipping this equipment to the Base, the United Nations lost the opportunity of making these recoveries.)

(b) Savings from operation of the Logistics Base. The savings accruing from the operation of the Base were:

Book value of *materiél* shipped by the Base to missions in lieu of new procurement (i.e. the costs saved by the United Nations, by not having to procure brand new equipment to meet field missions' requirements)	69 600 000	(B)

(c) Offsets against cost of operating the Logistics Base. The offsets which should be applied to the cost of operating the Base include:

Cost of operating the United Nations Supply Depot for three years = 3 x $0.8 million	2 400 000
Cost of operating the satellite relay facility for three years = 3 x $0.8 million	2 400 000
Cost of commercially renting comparable warehousing facilities to those provided rent-free at Brindisi by the Government of Italy for 18 months	5 000 000
Cost of operating warehousing facilities for 18 months	6 000 000

Operating cost savings through rapid phase-out of ONUMOZ, UNOSOM and UNAMIR	11 500 000
Total offsets	**27 300 000 (C)**

(d) Net savings provided by the Logistics Base. The net savings provided by the operation of the Base during the period from:

24 November 1994 to 31 December 1997, were therefore: (B) + (C) – (A) =	60 000 000

13. It might be argued that, despite the UNPF experience quoted above, the estimate of 8 per cent recoveries when disposing of surplus equipment is too low. In this context, it is worth noting that a recent report of the United States General Accounting Office has found that the United States Department of Defense sales of surplus equipment yield on average only 2 per cent recoveries against items' original list prices. In addition, the sensitivity analysis contained in appendix 1 demonstrates that the operation of the Logistics Base during the period in question would still have "broken even" if the estimate of likely recoveries against sales of surplus items was raised to 44.3 per cent of inventory value. If this figure is used in place of the more realistic estimate of 8 per cent, it leads to a projected total value of recoveries from liquidating missions of $73.2 million, instead of $13.2 million, against the total inventory value of $165.2 million. In other words, before the Base's operation becomes uneconomic, the projected level of recoveries from the sale of surplus assets in the field must rise to over 40 per cent – a most unlikely figure, when one considers the depreciation factor and the difficult field conditions to which this material will have been subjected. It follows that the more the level of projected recoveries falls below this figure, that is, below 44.3 per cent/$73.2 million, the greater the economic viability of the base will be.

14. One of the most significant achievements of the Base has been the way in which its low-cost inspection and repair of partly used equipment returned from field missions has often resulted in equipment being returned to service, instead of being scrapped and replaced by expensive new procurement. In such cases, the cost-benefit analysis is quite simple; the cost of the repairs is set against what it would have cost to procure the corresponding replacement equipment. Examples from 1994 to 1996 include:

(a) Electronic data-processing maintenance:

Cost of repairs	1 000	(D)
Equivalent "new" procurement value of equipment repaired	202 000	(E)
Net savings to United Nations: (D) – (E) =	**$201 000**	

(b) Communications maintenance:

Cost of repairs:	59 000	(F)
Equivalent "new" procurement value of equipment repaired	1 001 000	(G)
Net savings to United Nations: (G) – (F) =	**$942 000**	

(c) Generators and general maintenance:

Cost of repairs:	69 000	(H)
Equivalent "new" procurement value of equipment repaired	1 115 000	(I)
Net savings to United Nations: (I) – (H) =	**$1 046 000**	

15. *Cost-utility analysis of the Logistics Base*. In order to carry out a cost-utility analysis for the Base, it is necessary first to consider various scenarios which will require support from the Base in the near future. Probabilities must then be assigned to each of these, the balance between cost and benefit estimated for each case and then, finally, all the results be combined with due regard to their relative probabilities.

16. In a forward-looking analysis such as this, it is clearly necessary to make some assumptions. The first of these relates to the scale of new peacekeeping missions which the Base may be called upon to support in a given year. Based on the experience of the last five years of United Nations peacekeeping missions, new missions tend to fall into two orders of magnitude: medium-sized missions (of the order of 5,000 troops plus supporting elements), such as the United Nations Angola Verification Mission (UNAVEM III), the United Nations Mission in Haiti (UNMIH) and the United Nations Transitional Administration for Eastern Slavonia, Baranja and Western Sirmium (UNTAES), and small missions (of the order of 100 to 300 military/civilian observers/police, plus supporting elements) such as the United Nations Observer Mission in Liberia (UNOMIL), the United Nations Observer Mission in Georgia (UNOMIG) or the United Nations Mission of Observers in Tajikistan (UNMOT). Given the level of support provided by the Base to the new missions from 1994 to 1997, it is further assumed that new medium-sized mission would require approximately $30 million worth of equipment from the Base, while a small mission would require $5 million worth of equipment.

17. A much more difficult issue is the probability of new medium-sized or small missions being launched in a given year. For the purposes of this analysis, it is assumed that a maximum of one medium-sized and two small missions may be initiated in a single year. It is also assumed that the probability of such missions being started is 0.3 (30 per cent) for a medium-sized mission and 0.7 (70 per cent) for a small mission, and that these probabilities are independent. Applying basic probability theory, this produces the following mission start-up probability matrix:

Table 1
Mission start-up probability matrix

Outcome (a)	*Probability of outcome (b)*
No new missions	0.063
No medium-sized mission, one small mission	0.294
No medium-sized mission, two small missions	0.343
One medium-sized mission, no small missions	0.027
One medium-sized mission, one small mission	0.126
One medium-sized mission, two small missions	0.147

Further applying basic probability theory, this matrix implies that there is a 95 per cent probability of at least one new mission being launched every 13 months.

18. This concept may now be extended to take account of the projected support requirements for each size of mission ($30 million for a medium-sized mission and $5 million for a small mission) to derive the "expectation" of the new mission support requirement for the Base in a single year ("expectation" is a standard statistical concept, which in effect multiplies the value of each expected outcome by its probability, then sums the results, to produce a probability-weighted mean of the possible outcomes). Table 2 below illustrates how the "expectation" is derived in this case:

Table 2
Mission support requirement expectation computation

Outcome (a)	*Probability of outcome (b)*	*Estimated total new mission support requirement (c) ($ million)*	*New mission support requirement "expectation" (b) x (c) (d) ($ million)*
No new missions	0.063	—	—
No medium-sized missions, one small mission	0.294	5	1.47
No medium-sized missions, two small missions	0.343	10	3.43
One medium-sized mission, no small missions	0.027	30	0.81
One medium-sized mission, one small mission	0.126	35	4.41
One medium-sized mission, two small missions	0.147	40	5.88
Total (= "Expectation" of new mission support requirement)			**16.0**

19. The table above shows that the "expectation" of the level of support which the Base will be required to provide to new peacekeeping missions in a single year is estimated to be $16 million. (In passing, it should be noted that this "expectation" has been derived from new missions' projected requirements only – it takes no account of the potential requirements of existing missions. These would only increase the "expectation".) Expressed

another way, this means that in an average year, the Base can be expected to ship $16 million worth of equipment to new missions – thereby saving the Organization from having to spend $16 million on new procurement. (This calculation of an average "output" of $16 million worth of equipment per year is of the correct order of magnitude, is supported by the experience of the busy November 1994 to December 1997 period, when the base shipped out $69.6 million worth of equipment to new field missions in just over three years – an average of $22 million per year.)

20. This figure of $16 million must now be divided by the annual running costs of the Base, in order to obtain the cost-utility ratio. This ratio expresses the gross savings to the United Nations in avoided new procurement, in terms of dollars saved for each dollar it costs to run the Base. If the ratio is less than 1, then clearly the Base is not an economic operation. If the ratio is exactly equal to 1, then the Base is breaking even, and if the ratio exceeds 1, positive savings are anticipated. The running costs of the Base are, of course, known with some precision; the latest estimate of the cost of operating it for one year, as contained in this report, is $6.3 million for the period from 1 July 1998 to 30 June 1999. The cost-utility ratio for the Base is therefore:

$$\frac{\$16 \text{ million}}{\$6.3 \text{ million}} = 2.54$$

This result implies that, for every dollar spent running the Base, the United Nations can expect to save $2.54 in new procurement costs. It may therefore be concluded that the future cost-utility of the Base is very satisfactory.

21. Even though they are based on recent experience and likely trends, the assumptions used as the basis of the cost-utility analysis are all necessarily subjective. It is therefore essential to carry out a sensitivity analysis in order to gauge the robustness of the above conclusion on the future cost-utility of the Base. This sensitivity analysis takes the form of determining the lowest values for the estimated equipment requirements for new missions and the lowest probabilities of new missions arising during a year, for which the operation of the Base would still break even. The sensitivity analysis calculations are included in appendix 2. They show that the operation of the Base will still break even if either the assumed support requirements are reduced from $30 million to only $11.8 million for a medium-sized mission, and from $5 million to $1.97 million for a small mission, or if the assumed probabilities of new missions arising during a year are reduced from 0.3 (30 per cent) to just 0.12 (12 per cent) for a medium-sized mission and from 0.7 (70 per cent) to 0.28 (28 per cent) for a small mission applying basic probability theory, these probabilities correspond to a 95 per cent chance of a new mission being launched every 46 months. It can therefore be concluded that the results of the cost-utility analysis are indeed very robust.

22. Finally, the question must obviously arise of whether the Base would actually have sufficient stocks to meet the projected requirements of new missions. As at the end of February 1998, the value of its stockholdings was $95 million. In addition, the holdings of the Base are continuously being augmented by material returned from closing field missions; during the next year, significant returns from UNTAES (already under way) and the United Nations Observer Mission in Angola (MONUA) are foreseen. It is therefore anticipated that the Base will remain capable of meeting the forecast needs of new peacekeeping missions for several years to come.

23. *Cost of relocating*. Beyond this cost analysis of the existing operation of the Base, the Secretariat has considered the likely cost of moving it to a location other than Brindisi. It is estimated that the main expense of such an exercise would be the cost of moving the Base's stockholdings, which would amount to at least $14 million (given the current

stockholding value of $95 million, and the standard budgetary assumption that freight costs amount to 15 per cent of equipment value). There would also be further costs involved in setting up the new logistics base at the new location (such as installing communications, electronic data-processing and workshop facilities), estimated to be about $2.5 million, plus additional contractual labour to accomplish the move, estimated to be about $1.8 million. The total cost of relocation of the Base would therefore be about $18.3 million. After such a move, the Base's operating costs would remain unchanged, unless commercial rents had to be paid for the new location, in which case, it is conservatively estimated that the operating costs would increase by $3.5 million per year.

24. *Conclusion.* The Logistics Base has been evaluated using cost-benefit and cost-utility analyses. The various cost-benefit analyses each showed that the operation and output of the Base has proved historically to have been of much better value than the alternative, namely, the new procurement of equipment to meet the needs of field missions. The cost-utility analysis showed that the Base will continue to provide a very effective level of cost-utility for the support of new United Nations peacekeeping operations for the foreseeable future. It demonstrates that, in effect, every dollar spent on running the Base can be expected to save $2.54 in new procurement costs. The application of sensitivity analyses to these results showed that they are very robust.

25. Finally, the establishment of the Base and the fielding of the field assets control system/field mission logistics system offer the United Nations further opportunities to maximize control over its assets. This improved control will greatly enhance the United Nations effectiveness when setting up new missions and will thus be of great benefit to the Secretary-General's initiatives to create a rapid response capability. In addition, the availability of these facilities provides the Secretariat with a controlled "rapid exit" option, allowing it to quickly withdraw field missions, in an orderly and economic manner, should this become necessary. This rapid exit operation offers substantial savings in terms of salvaging usable equipment and reducing the time it takes to close missions. Furthermore, the Base offers the advantage of a rapid reaction capability to meet urgent operational requirements quickly.

Appendix 1

Cost-benefit analysis – sensitivity analysis

1. In order to determine the maximum values for the assumed level of recoveries from the sale of surplus equipment from liquidating missions, for which the operation of the Base would still break even, it is necessary to revisit the related cost-benefit analysis, but adjusting the assumed level of recoveries, so that feeding it into the calculations produces net savings of zero. It is found that this can be achieved by setting the assumed level of recoveries to 44.3 per cent, as follows:

(a) Cost of operation of the Logistics Base. The costs arising from the operation of the Base during the period from 24 November 1994 to 31 December 1997 were:

Cost of shipping *matériel* to the Base from closing missions:	6 700 000	
Operating costs of the Base:	17 000 000	
Value of missed equipment disposal recoveries:	73 200 000	
Total input cost	**96 900 000**	**(A)**

(The value of missed equipment disposal recoveries assumes that, had the $165.2 million worth of equipment shipped to the Base been disposed of locally instead of being shipped, the United Nations would have recovered 44.3 per cent of its value through local sales).

(b) Savings from operation of the Logistics Base. The savings accruing from the operation of the Base were:

Book value of *matériel* shipped by the Base to missions in lieu of new procurement (i.e. the costs saved by the United Nations, by **not** having to procure brand-new equipment to meet field missions' requirements:	69 600 000	(B)

(c) Offsets against cost of operating the Logistics Base. The offsets which should be applied to the cost of operating the Base include:

Cost of operating the United Nations Supply Depot for three years = 3 x $0.8 million	2 400 000
Cost of operating the satellite relay facility for three years = 3 x $0.8 million	2 400 000
Cost of commercially renting comparable warehousing facilities to those provided rent-free at Brindisi by the Government of Italy for 18 months, (including storage space, office/workshop accommodation, security, etc.)	5 000 000
Cost of operating warehousing facilities for 18 months	6 000 000

Operating cost savings through rapid phase-out of ONUMOZ, UNOSOM and UNAMIR	11 500 000	
Total offsets	**27 300 000**	**(C)**

(d) Net savings provided by the Logistics Base. The net savings provided by the operation of the Base during the period from 24 November 1994 to 31 December 1997, under these assumptions, would therefore have been: (B) + (C) – (A) = **$0**

Appendix 2

Cost-utility analysis – sensitivity analysis

1. *Minimum mission equipment requirements.* In order to determine the lowest values for the estimated equipment requirements for new missions for which the operation of the Base would still break even, it is necessary to revisit the mission support requirement expectation table, but adjusting the assumed mission support requirements so that feeding the resulting "expectation" of the new mission support requirement into the cost-utility ratio calculation gives a result of exactly 1. This can be achieved by setting the projected support requirements to $11.8 million for a medium-sized mission and $1.97 million for a small mission.

Table 3
Mission support requirement expectation computation for minimum (break-even) mission support requirements

Outcome (a)	*Probability of outcome (b)*	*Estimated total new mission support requirement (c) ($ million)*	*New mission support requirement "expectation" (b) x (c) (d) ($ million)*
No new missions	0.063	—	—
No medium-sized mission, one small mission	0.294	1.97	0.58
No medium-sized mission, two small missions	0.343	3.94	1.35
One medium-sized mission, no small mission	0.027	11.8	0.32
One medium-sized mission, one small mission	0.126	13.77	1.74
One medium-sized mission, two small missions	0.147	15.74	2.31
Total (= "expectation" of new mission support requirement)			**6.3**

Given the known cost of operating the Base for one year, $6.3 million, the revised cost-utility ratio for it then becomes:

$$\frac{\$6.3 \text{ million}}{\$6.3 \text{ million}} = 1.00$$

In other words, the operation of the Base will still break even if the assumed support requirements are reduced to only $11.8 million for a medium-sized mission, and $1.97 million for a small mission.

2. *Minimum new mission probabilities.* In order to determine the minimum new mission probabilities for which the operation of the Base would still break even, it is again necessary to revisit the mission support requirement expectation table, but this time adjusting the assumed new mission probabilities so that feeding the resulting "expectation" of the new mission support requirement into the cost-utility ratio calculation gives a result of exactly 1. This can be achieved by setting the new mission probabilities to 0.12 (12 per cent) for a medium-sized mission and 0.28 (28 per cent) for a small mission.

Table 4
Mission support requirement expectation computation for minimum (break-even) mission support requirements

Outcome (a)	*Probability of outcome (b)*	*Estimated total new mission support requirement (c) ($ million)*	*New mission support requirement "expectation" (b) x (c) (d) ($ million)*
No new missions	0.46	—	—
No medium-sized mission, one small mission	0.35	5	1.75
No medium-sized mission, two small missions	0.07	10	0.70
One medium-sized mission, no small mission	0.06	30	1.80
One medium-sized mission, one small mission	0.05	35	1.75
One medium-sized mission, two small missions	0.01	40	0.40
Total (= "expectation" of new mission support requirements)			**6.4**

Given the known cost of operating the Base for one year, $6.3 million, the revised cost-utility ratio for it then becomes:

$$\frac{\$6.4 \text{ million}}{\$6.3 \text{ million}} = 1.01$$

In other words, the operation of the Base will still break even if the assumed new mission probabilities are reduced to 0.12 (12 per cent) for a medium-sized mission and 0.28 (28 per cent) for a small mission.

Annex VIII

Use of the United Nations Logistics Base by other United Nations agencies and programmes

1. In paragraph 5 of its resolution 52/1, the General Assembly requested the Secretary-General to consider the possibility of expanding the use of the Logistics Base to other agencies and programmes of the United Nations and to make this information available so as to enable the Assembly to take a decision on the future of the Logistics Base, in the context of a coherent strategy for logistic support.

2. In response to this request, the Secretariat has begun investigating the possibility of expanding the use of the Base to agencies and programmes of the United Nations other than just the Department of Peacekeeping Operations. Already, the World Food Programme is planning to move its warehousing operations from Pisa to Brindisi, and detailed discussions have begun on how to integrate their requirements with the existing Logistics Base operation. Meanwhile, in early January, the Under-Secretary-General for Peacekeeping Operations wrote to his counterparts in the following United Nations departments and agencies and invited them to consider whether they have tasks or operations which might economically be collocated with the Base.

(a) Office of the United Nations High Commissioner for Refugees (UNHCR)

(b) United Nations Children's Fund (UNICEF)

(c) United Nations Educational, Scientific and Cultural Organization (UNESCO)

(d) United Nations Development Programme (UNDP)

(e) World Health Organization (WHO)

(f) Department of Humanitarian Affairs

(g) Centre for Human Rights

(h) International Tribunal for the Former Yugoslavia

Annex IX

Role of the United Nations Logistics Base within the United Nations logistics support strategy

1. *Background.* As of January 1998, the requirement for field mission logistics support consisted of 15 peacekeeping missions with a combined total of some 12,500 troops in formed contingents, 1,100 military observers and 3,000 civilian police. Of these 15 missions, two contained only military contingents, five included both military contingents and military and/or civilian observers/police, and eight consisted of military and/or civilian observers/police only. There was also a further 17 small non-Department of Peacekeeping Operations field missions being supported by that Department's logistics system.

2. Based on recent experience, it may be assumed that there will be a requirement to carry out detailed logistics planning for up to four new peacekeeping missions per year. Of these, it is assumed that there will be an actual requirement to mount one new small mission (up to 200 observers per year, and one new medium-sized mission (up to 3,000 troops in contingents) every two years. In addition, it is assumed that one existing mission will be liquidated or significantly downsized each year.

3. It is the Secretary-General's intention to support fully the aims of all peacekeeping missions by providing them with the necessary logistics and communications capabilities, while simultaneously ensuring that this support is both cost effective and as timely as possible. In particular, the Secretary-General considers that the immediate supply of required goods and services is the cornerstone of his rapid deployment initiatives and an effective multiplier in the process of peace. Thus, the capabilities of a logistics base and its links with a responsive field mission logistics system are key to the successful deployment of new peacekeeping missions, the sustainment of ongoing missions and the timely closure of missions no longer required.

4. The field mission logistics system meets the need for full accountability from procurement to disposal, of all peacekeeping resources worldwide. The Logistics Base provides for the staging of strategic reserve material, the refurbishment of high-dollar value, long lead time items and a global communications relay station for the interconnection of all peacekeeping activities. The Secretary-General wishes to inform all Member States that, as the size and duration of peacekeeping activities are reduced, these capabilities are essential to the continued and longstanding success of the Organization.

5. *United Nations logistics support mission.* In fulfilment of these aims, the Secretary-General defines the United Nations logistics support mission as follows: to provide logistic support for the mounting, deployment, sustainment, redeployment and liquidation of United Nations peacekeeping and other field missions, while maintaining the capability to support short notice deployment of field missions, also providing full accountability of the resources employed.

6. *Logistics support tasks arising from United Nations logistics support mission.* The following specific tasks arising from United Nations logistics support mission can be defined chronologically in reference to the life cycle of a peacekeeping mission:

(a) *Mounting.* The "mounting" phase of a mission requires extensive and detailed logistics planning in order to ensure that the various components of the mission will be deployed as quickly and efficiently as possible, and that they become operational as soon as possible. This involves gathering full details of the type, size, composition and tasks of

each mission component, planning the coordinated movement of these components to the mission area, ensuring that the necessary life support and task support resources will be in place in time for each mission component's arrival at its operational location, and achieving all of this at a minimum cost to the United Nations.

(b) *Deployment*. The task of the United Nations logistics system during mission deployment is to put the plans formulated during the mounting phase into effect as efficiently and effectively as possible, while retaining the flexibility to handle any last-minute changes in deployment plans.

(c) *Sustainment*. Once a mission has been fully established, the United Nations logistics system must continue to maintain it as economically and effectively as possible for the duration of its existence. This task includes not only the routine provision of replacements for supplies or materials consumed in use, but also the rotation of contingents as their tours of duty expire, the replacement of time-expired or obsolete assets, and the provision of new equipment to meet new mandates, or other changes in operational requirements.

(d) *Redeployment*. The redeployment task is, in broad terms, a mirror image of the deployment task, except that the timescale for returning all mission components to their points of origin tends to be more protracted than that required for their initial deployment. Flexibility remains a key attribute at this stage, in order to be able to cope with late changes in redeployment schedules.

(e) *Liquidation*. The liquidation stage of a mission involves the withdrawal of all reusable United Nations-owned equipment from the mission area (for actual or potential reuse in other field missions), the disposal of all non-reusable United Nations-owned material, the closure of all outstanding accounts and other business, and the withdrawal of the last remaining United Nations staff.

7. *Logistics effectiveness*. In addition, there are two further logistics support tasks which, while not linked to the mission life cycle, are essential to the effective performance of the United Nations logistics support mission:

(a) *Preparedness*. One of the greatest challenges facing the United Nations logistics system, is the need to mount newly-authorized operations as quickly and effectively as possible. Failure to do so often leads to the prolonging of a crisis, a vastly increased requirement for peacekeeping resources, and, sometimes, ultimate mission failure. The United Nations logistics system must therefore be capable of meeting the deployment timescales defined by the Secretary-General.

(b) *Accountability*. Across the entire United Nations logistics system, there must be full, global visibility of all of the resources employed, both to meet the Organization's responsibility to account for the resources provided by Member States for peacekeeping purposes, and to facilitate the most efficient management of those resources.

8. *Rapid deployment initiatives*. In order to meet the intent of Security Council resolutions quickly and effectively, in particular their requirement for rapid deployment, the Secretary-General considers that the United Nations logistics system must be capable of supporting the following timescales:

D Day	–	Security Council resolution
D+1 (or earlier)	–	Advance funding authorized

D+7	–	Lead elements of Mission headquarters deployed by air complete with required support from mission start-up kits
	–	Mission integrated support services established, and preparation for arrival of contingents and other components commenced
D+30	–	Deployment of Mission headquarters completed
	–	Deployment of Mission start-up kit(s) completed
	–	Deployment of advance logistics elements completed
D+45 to	–	Contingents deploy
D+60	–	Other mission components deploy

9. *Role of a logistics base*. This information is being provided in response to operative paragraph 5 of General Assembly resolution 52/1 to enable the Assembly to take a decision on the future of the Logistics Base, in the context of a coherent strategy for logistic support. The Secretary-General is of the view that a logistics base is essential so that the United Nations logistics system can meet the mission deployment timeline indicated above. A logistics base is also required to make the following contributions to the logistics support tasks which arise from the United Nations logistics support mission:

(a) *Mounting*. A logistics base can become involved in this early, pre-deployment stage of a new mission, or the expansion of an existing mission, by identifying what reserve material it can provide to both increase the speed and decrease the cost of launching a proposed new (or expanding an existing) peacekeeping mission. The knowledge that the Base held useful quantities of reusable material has facilitated the logistics planning for several recently planned missions, such as those considered for the Republic of the Congo, Democratic Republic of the Congo, Sierra Leone, and the Central African Republic, and for the expansion of UNMOT and the United Nations Mission for the Referendum in Western Sahara (MINURSO). A review of the resources held at the Base now forms an integral part of the Department of Peacekeeping Operation's logistics planning process for all new or expanding missions.

(b) *Deployment*. A logistics base can significantly assist the timely and economic deployment of new missions (or expansion of existing missions), in two ways:

(i) By immediately issuing as many mission start-up kits as are required.

(ii) By acting as a source for immediately available equipment, recycled from previously downsized or liquidated field missions, and which has been held in reserve pending reutilization. This approach not only saves the cost of new procurement, it also results in significant time savings versus the conventional United Nations procurement cycle.

For example, the Base has already provided significant quantities of equipment for the start-up of UNMIH, UNAVEM III, UNTAES and the United Nations Mission in Bosnia and Herzegovina (UNMIBH), and for the expansion of UNMOT and MINURSO. The Base has also issued material to several non-Department of Peacekeeping Operations missions, such as the United Nations Office of the Humanitarian Coordinator in Iraq (UNOCHI), the United Nations Office in Burundi (UNOB), the United Nations Office in Liberia (UNOL) and the United Nations Office in Rwanda (UNOR).

(c) *Sustainment*. Once a mission has been fully established, a logistics base can continue to assist in maintaining it as economically and effectively as possible, by continuing to meet many of the mission's requirements from its holdings of reserve material. This role

is especially important when time-expired or obsolete equipment in missions requires replacement, or when new equipment is needed to meet new mandates or other changes in operational requirements – particularly when, as is often the case, such changes occur at short notice. Large quantities of material have been shipped from UNLB to UNPF, UNIFIL, UNOMIG, UNOMIL, the United Nations Peacekeeping Force in Cyprus (UNFICYP) and the United Nations Military Observer Group in India and Pakistan (UNMOGIP). In the latter case, the Base's assistance was invaluable in the rapid re-establishment of UNOMIL after most of that Mission's assets were looted or destroyed in the resurgence of civil war in early 1996. In addition, a logistics base can provide essential satellite communications relay facilities to the field missions in Asia, the Middle East, and the former Yugoslavia, such as UNMOGIP, UNFICYP, UNIFIL, the United Nations Truce Supervision Organization (UNTSO), and the United Nations Disengagement Observer Force (UNDOF), UNOMIG, UNTAES, and UNMOT, which would otherwise have difficulties in communicating with United Nations Headquarters.

(d) *Redeployment*. During the redeployment phase, a logistics base can act as a source for the temporary provision of equipment needed to "fill gaps" created by the early redeployment of specialist contingents, such as engineering or signals units, pending the final cessation of a mission's operations.

(e) *Liquidation*. When a peacekeeping mission enters the liquidation (or the downsizing) stage, a logistics base fulfills two vital roles. In the first place, it can act as the Organization's central repository for all usable equipment which is not immediately required in other field missions, and which is economic to retain in reserve. In doing so, it allows the United Nations to bridge the "time gap" which often exists between the release of reusable equipment from a liquidating mission, and the arising of a new requirement for this equipment in a new mission. This allows the Organization to avoid the highly unsatisfactory procedure of having to dispose of surplus, but reusable equipment for nominal prices when a mission liquidates, only to have to buy similar equipment at brand-new prices only a year or two later. At the time of writing the present report, the Base is fulfilling this role in respect of ex-UNTAES accommodation facilities and related equipment. These have been earmarked for reuse in the planned referendum phase of MINURSO, but as this phase of the Mission has not yet been mandated by the Security Council, and as UNTAES is already liquidating, they cannot be stored at either location. They are therefore being transferred to the Base for temporary storage pending their ultimate transfer to MINURSO. The other vital contribution which a logistics base can make at the liquidation stage is that, by its very existence as a storage destination, it allows for a more rapid run-down and closure of the liquidating mission than would otherwise be possible. This reduction in liquidation timescales translates directly into significant savings in liquidation budgets. It is only because of the existence of the Base that the United Nations was able to achieve the rapid drawdown and liquidation of UNOSOM, UNOMIL, UNAMIR and now, UNTAES.

(f) *Preparedness*. A logistics base can help accelerate the process of mission deployment by maintaining, ready for immediate issue, a number of standardized "mission start-up kits", each designed to provide the minimum essential accommodation, communications, transport and life support requirements for the difficult initial period of a new peacekeeping mission. Although only elements of start-up-kits have been issued so far (for example, to UNOMIG), it is clear that they would have greatly speeded up the deployment of UNAMIR and UNAVEM III, had they been available when those missions were launched from 1994 to 1995. Their availability has been integral to logistics planning since April 1997, and current planning for a potential mission to the Central African Republic relies heavily on the use of the start-up-kits.

(g) *Accountability.* A logistics base can assist in the accountability task by maintaining the central database for the United Nations global holdings of peacekeeping resources. This role is further enhanced when the logistics base also possesses major satellite communications facilities as this permits the rapid, near-real time updating of both the central database and individual missions' databases as resources are transferred between and within locations.

Annex X

Clearance of the backlog inventory

1. It is well recognized that the difficult early days of the Base, when its limited resources struggled to cope with the immense volumes of equipment returned from Mozambique and, particularly, Somalia, left it with a considerable backlog of equipment requiring processing. In paragraphs 6 and 7 of its resolution 52/1, the General Assembly approved funding for the clearance of backlog inventory at the Base, and requested a progress report on this activity during the first part of its resumed fifty-second session.

2. The clearance of the backlog inventory is now 60 per cent complete. Over 80 per cent of the equipment held by the Base has been examined and categorized. More than 50 per cent of the resulting repair, storage and write-off activities have been carried out, based on the retention criteria defined in the report of the Secretary-General of 21 May 1997 (A/51/905) and approved by the General Assembly in paragraph 14 of its resolution 52/1. Physical disposal action is underway, with 15 per cent of the anticipated disposals completed. Within this latter figure, the Base has made significant progress in the difficult area of hazardous material disposal, 80 per cent of which has already been removed or destroyed in accordance with the applicable national and international environmental protection regulations.

3. It is anticipated that the remainder of the Base's surplus holdings of hazardous materials will be disposed of during March 1998. In addition, the Base is preparing for the sale by tender of the first batch of scrap material arising from the backlog clearance project, which should lead to significant disposals by the end of March 1998. The project is on track for completion by the end of June 1998.

Annex XI

Information on the level of staffing

1. In paragraph 11 of its resolution 52/1, the General Assembly endorsed the recommendation of the Advisory Committee on Administrative and Budgetary Questions that the level of staffing of the Base be reviewed in the light of the volume of operations and requested the Secretary-General to provide this information to the General Assembly during the first part of its resumed fifty-second session.

2. As part of the 1998-1999 budgetary process, the Base's staffing level has been carefully reviewed by the senior management of the Base, the Field Administration and Logistics Division, and the Office of Programme Planning, Budget and Accounts. Following this scrutiny, the Secretary-General has concluded that the long-term "core" staffing for the Base should be increased by 4 to 48, by including the personnel required to operate and maintain the satellite relay facility, one of the Base's primary tasks. Previously, these duties had been carried out by communications staff on temporary assignment from other field missions. This change is reflected in the proposed staffing table in annex IV to the present report and is integral to the figures used as the basis of the cost-benefit analyses of the Base and their favourable results.

Annex XII

The communications relay system

1. *Introduction.* The General Assembly, in its resolution 52/1, requested the Secretary-General to provide detailed information on the communications relay system operated at the Logistics Base. The present annex presents the requested information, including relevant background information on how the facility has developed.

2. The communications relay station is operated by the Electronic Services Section of the Base, which provides essentially three separate communications-related support functions/services in Brindisi.

(a) Operation and maintenance of the United Nations Satellite Operations Relay Centre (UNSORC). This includes the maintenance and support of the data wide area network (WAN) which is also an integral part of the Base's data local area network (LAN);

(b) Support to the Base's internal communications, electronic data-processing and office equipment infrastructure;

(c) Provision of technical assistance, maintenance, repairs and warehousing of communications, electronic data-processing and office equipment which is arriving, departing or held currently in the United Nations reserve stock and start-up kits.

3. *Background.* In the early 1990s, United Nations peacekeeping operations had to deal with a significantly increased demand for quantity and serviceability of telephone, facsimile and data connectivity from United Nations Headquarters to field missions and other United Nations offices. It therefore became necessary to create a facility to act as a satellite/switching relay point between the missions operating satellite earth stations in the Indian Ocean Region (IOR), locations east of longitude 44 degrees east and United Nations Headquarters which is operating an earth station connected to a satellite in the Atlantic Ocean Region (AOR).

4. Until the creation of UNSORC at the United Nations Logistics Base at Brindisi, this function was performed by UNIFIL in southern Lebanon. The reason for locating this facility at UNIFIL was a result of developments during the setup of the United Nations Iran-Iraq Military Observer Group (UNIIMOG) in September of 1988. In order to be able to provide UNIIMOG with voice and data links from Baghdad and Tehran (both located in IOR) to United Nations Headquarters in New York, a satellite relay station had to be set up owing to the geographical reasons stated above. The data communications links, prior to the installation of the satellite stations, were done by high frequency radio links via UNIFIL and the voice links used the costly INMARSAT system. In view of the already existing high frequency relay operation and, following consideration of all political, geographical and operational aspects, UNIFIL emerged as a suitable place. Although UNIFIL had the disadvantage of being in a conflict area, no other suitable option was available at the time.

5. The opening of the Logistics Base as a sector of UNPROFOR and the ongoing preparation of Brindisi as a possible rear headquarters for the operation in the former Yugoslavia with a substantial requirement for satellite operations, made it an attractive option to consolidate this function and move the IOR-AOR Satellite relay facility to the Base. The relay function was first duplicated with UNIFIL in July of 1995 and formally taken over in late 1995. The initial service was for UNMOGIP but UNSORC is currently serving four locations in IOR (UNOMIG, UNMOGIP, UNMOT and UNOCHI/Erbil), none

of which can communicate with the United Nations Headquarters without the relay facility at the Base.

6. Brindisi has the same or better geographical location as UNIFIL as far as access to the United Nations-leased satellites is concerned. Furthermore, Brindisi can also connect to the satellite used for the operation in the former Yugoslavia, which is not possible in southern Lebanon. In addition, the Logistics Base facility is located in a protected and accessible environment.

7. With the closing of the operations, *inter alia*, in Cambodia, Somalia and Mozambique, a vast amount of various types of communications and electronic data-processing equipment became available. Of the equipment received at the Base from the closing missions, there were significant amounts of satellite equipment that could be used for the expansion of the relay activity. This ex-mission equipment, which makes up most of what is in use today by UNSORC, allowed the Base to establish UNSORC at no extra cost to the Organization.

Architecture of the United Nations Logistics Base communications facilities

8. *Technical description.* The Electronic Services Section of the Base operates the following facility which provides direct and indirect support to the Base and the field missions.

United Nations Satellite Operations Relay Centre

9. Located in "Zone-3", at the Base, the Electronic Services Section currently maintains and operates three satellite earth stations with antennas that are from 7 to 4.5 metres in size. This installation currently provides service to 18 different United Nations missions/offices, and links the Base with United Nations Headquarters, New York. Each of the three antennas point to a separate satellite and provide the essential IOR-AOR relay function as well as the recently added intermission links for additional capacity and redundancy for critical mission functions.

10. Some of the telephone/facsimile/data services are completely transparent to the Base, while some connect to the the Base's infrastructure to provide various alternative routes to United Nations Headquarters and direct contact with the Base. The telephone system supporting the Base also forms part of the required switching facility needed for the intermission functions.

11. The Base is now also linked with the World Food Programme/Food and Agriculture Organization of the United Nations (WFP)/(FAO) in Rome and with the United Nations Office at Geneva via digital leased lines. These lines provide telephone/facsimile and data connections to various United Nations agencies that are linked to the field missions directly serviced by satellite connections provided by the Base. The link to Geneva also provides an alternative route for voice and facsimile from all locations connected to the Base back to United Nations Headquarters. The cost of this link is shared by the missions that are benefiting from this service.

12. The telephone network is now being updated to form a fully integrated system with the Base acting as the hub for what is referred to as the Field Administration and Logistics Division Inter-mission system. The system now assigns an equivalent to an area code, and all users can transparently call anywhere in the network using direct dialing. The alternative to this shared service at the relay site would be to expand the connectivity to all locations with the immediate effect of an increased cost of the satellite transponder lease. Since all sites have to be configured for a worst-case scenario, this would require an estimated additional 18 MHz of satellite bandwidth usage. Depending on the length of the lease period,

this would cost approximately $600,000 per year. The leased line also provides an independent United Nations-controlled route in case of a failure of the New York earth station.

13. In the case of UNOMIG and UNOCHI, the Base also acts as a relay facility for in-mission traffic, because both these missions have only one location that can access the AOR satellite and would be forced to erect a second satellite antenna if the Base were not to relay the IOR/AOR in-mission traffic. Thus, having this facility has avoided the purchase and running cost of two additional earth stations.

14. The link to WFP/FAO Rome is paid for by WFP and is currently being upgraded from 64 Kbps (3 voice/facsimile lines) to 128 Kbps (6 voice/facsimile lines plus 1 data) owing to the anticipated increase in traffic volume as a result of the activation of a new link from the Base to the United Nations Office in Nairobi. The cost of this leased line is approximately $20,000 per year and the telephone expenditures alone of WFP for traffic between Rome and Nairobi in 1997 were in the range of $200,000. Effectively, the lease and service provided result in a net savings of about $180,000 per year for this connection alone.

15. Of increased importance is the role being played by the Base in relaying data transmissions from missions to United Nations Headquarters as well as one of the main nodes for the field assets control system. Plans are already in place to take advantage of the data communications router (TCP/IP) presently connected to four missions using the United Nations satellite system. This equipment is ex-UNPF stock. A TCP/IP link can act as a bearer of the applications such as Lotus Notes and CC-Mail and will facilitate Internet connectivity to missions which do not have access to local providers.

16. *Internal infrastructure of the Logistics Base.* The internal telephone system of the base is built around Ericcson MD 110 telephone switching system. The system has three main nodes in Building 178, in Building 146 and at UNSORC, respectively. The nodes are connected by 2 Mbps (El) cable connections.

17. The Base's LAN/WAN servers are located in Building 178 and are extended throughout the base by various means. For example from building 94 there is a 10 Mbps radio link which provides service to the users in UNLB "Zone-4" and "Zone-5".

18. *Logistics Base communications, electronic data-processing and office equipment maintenance.* The Base's communications, electronic data-processing and office equipment maintenance is located in Buildings 178, 199 and 130, respectively. The facility with its current staff is capable of checking and repairing most types of Electronic Services Section items that exist in the United Nations inventory. Test equipment and tools have been extracted from ex-mission stock and put to use in these workshops. Equipment is to a great extent repaired by parts from cannibalizing write-off equipment. Since September 1997, the Electronic Services Section is also responsible for the warehousing functions for the "United Nations reserve" for communications, electronic data-processing and office equipment items.